

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

LR No.: 0372-01  
Bill No.: HB 110  
Subject: Tax Commission: Property Tax, Values  
Type: Original  
Date: March 14, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
<b>Local Government</b>	<b>\$240,000</b>	<b>\$480,000</b>	<b>\$480,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials of the **Office of the State Auditor** assume no fiscal impact to their office.

The **Jefferson County Assessor** assumes fiscal impact for his office would be minimal. The Assessor assumes the added filing and processing would be less than \$5,000 annually.

Officials of the **State Tax Commission** stated that this proposal creates a Certificate of Value form that must be delivered to and filed by the Assessor. A \$10 filing fee has been created and must be paid at the time a deed is filed. Officials stated that it is not clear on which county official is to receive the \$10 fee, the Assessor or the Recorder of Deeds. Officials stated that the Commission is to supply the Certificate of Value forms. **Officials stated that printing costs could be absorbed with existing resources.**

Tax Commission officials assume that there are 2.4 million parcels of residential and commercial real property in the State of Missouri and assuming that 2% of the property is transferred annually, an additional \$480,000 in revenue should be generated for the counties. **Oversight will show income to counties, however, as to which county fund the money would be deposited is indeterminable.**

ASSUMPTION (continued)

**Oversight** assumes that County Assessors would have administrative impact associated with record keeping, filing certificates, and maintaining files and mailing copies of certificates to the Tax Commission. Oversight assumes any additional cost could be absorbed with existing resources.

**The following County Assessors/ Recorder of Deeds did not respond to this proposal: Boone County, Callaway County, Greene County, Clay County, Platte County, Taney County, St. Louis County, Jackson County, and the City of St. Louis.**

<u>FISCAL IMPACT - State Government</u>	FY 2004 (6 Mo.)	FY 2005	FY 2006
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	\$0	\$0	\$0
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (6 Mo.)	FY 2005	FY 2006
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**COUNTY FUNDS**

Income to Counties  
from \$10 filing fee \*

<u>\$240,000</u>	<u>\$480,000</u>	<u>\$480,000</u>
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\* **This proposal has an effective date of January 1, 2004.**

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill requires that a certificate of value containing the actual amount of consideration or reasonable estimate of the true current market value and a statement of actual or intended use of property be filed with the Assessor before the Recorder of Deeds can accept the filing of any instrument by which any lands or other interest in real property are conveyed to the purchaser or any other person. One copy of the certificate of value will be forwarded to the State Tax Commission for use on certain administrative tasks and one retained by the Assessor for the

purpose of assisting in implementing general reassessment or implementing an assessment and

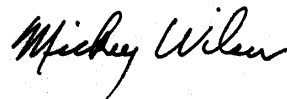
DESCRIPTION (continued)

equalization plan. The bill makes certain exemptions from the requirements and sets penalties for violations. The bill has an effective date of January 1, 2004.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the State Auditor  
Missouri State Tax Commission  
Jefferson County Assessor



Mickey Wilson, CPA  
Director  
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